

THE PRESIDENT'S INTELLIGENCE REVIEW

**ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY**

29 AUGUST - 1 SEPTEMBER 1964

~~TOP SECRET~~

1 September 1964

1. South Vietnam: The power struggle continues.

Khanh appears reluctant to try to reassert his leadership of the government and relieve acting Premier Oanh, who has been talking of himself as destined to lead Vietnam out of its morass.

In a talk with Ambassador Taylor in Dalat on 31 August, Khanh said he might appear in Saigon in a few days to show that he is still premier and to quash rumors that he is mentally ill. Taylor got the impression, however, that Khanh was disinclined to head the government unless he had real authority.

Khanh, however, is giving out conflicting stories. He has told the press he would be back in two weeks

[redacted]
[redacted] Khiem, the third member of the Khanh-Minh-Khiem triumvirate, may be maneuvering in his own behalf. General Minh would like to see himself as chief of state with Khanh as premier.

Although Khanh has some minor physical troubles, he does seem to fear a Dai Viet power play. He told Taylor the Military Revolutionary Council had asked him last week to stay on as head of government but he turned them down because of his distrust of the Dai Viet generals.

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We think the Communists may be biding their time, hesitant to take actions which might unify disputing factions in Saigon. They are probably preparing to move quickly, however, if the situation stabilizes or if there is a coup.

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2. Cyprus: The island is quiet, but the Greek Cypriot economic blockade, despite reported agreements to end it, could push Turkish Cypriots to the point of explosion if their supplies shrink further.

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Athens has again sent Greek Defense Minister Garoufalias to Nicosia, reportedly to negotiate with Makarios over Ankara's demand for permission to rotate part of its army contingent on Cyprus.

The Turks on Saturday announced temporary postponement of rotation, after urgent pleas from many quarters.

Garoufalias probably also hopes to learn about the Makarios-Nasir talks over the weekend. Before he left, Makarios told UN force commander Thimayya that he would try to get an agreement to use Egyptian facilities for staging aircraft. The Makarios-Nasir communiqué spoke obscurely of "all possible" Egyptian support for Cyprus.

Makarios appears to be shifting his ground on the question of union with Greece. He openly championed the idea when he was in Egypt over the weekend. He stressed, however, that the island should be demilitarized, apparently with the idea of barring the present British base areas as well as any proposed Turkish or NATO bases.

General Grivas, in a speech Sunday, also urged "unconditional enosis" without ceding Cypriot soil to any foreigner. Previously he was not as adamantly opposed as Makarios to a NATO base on Cyprus.

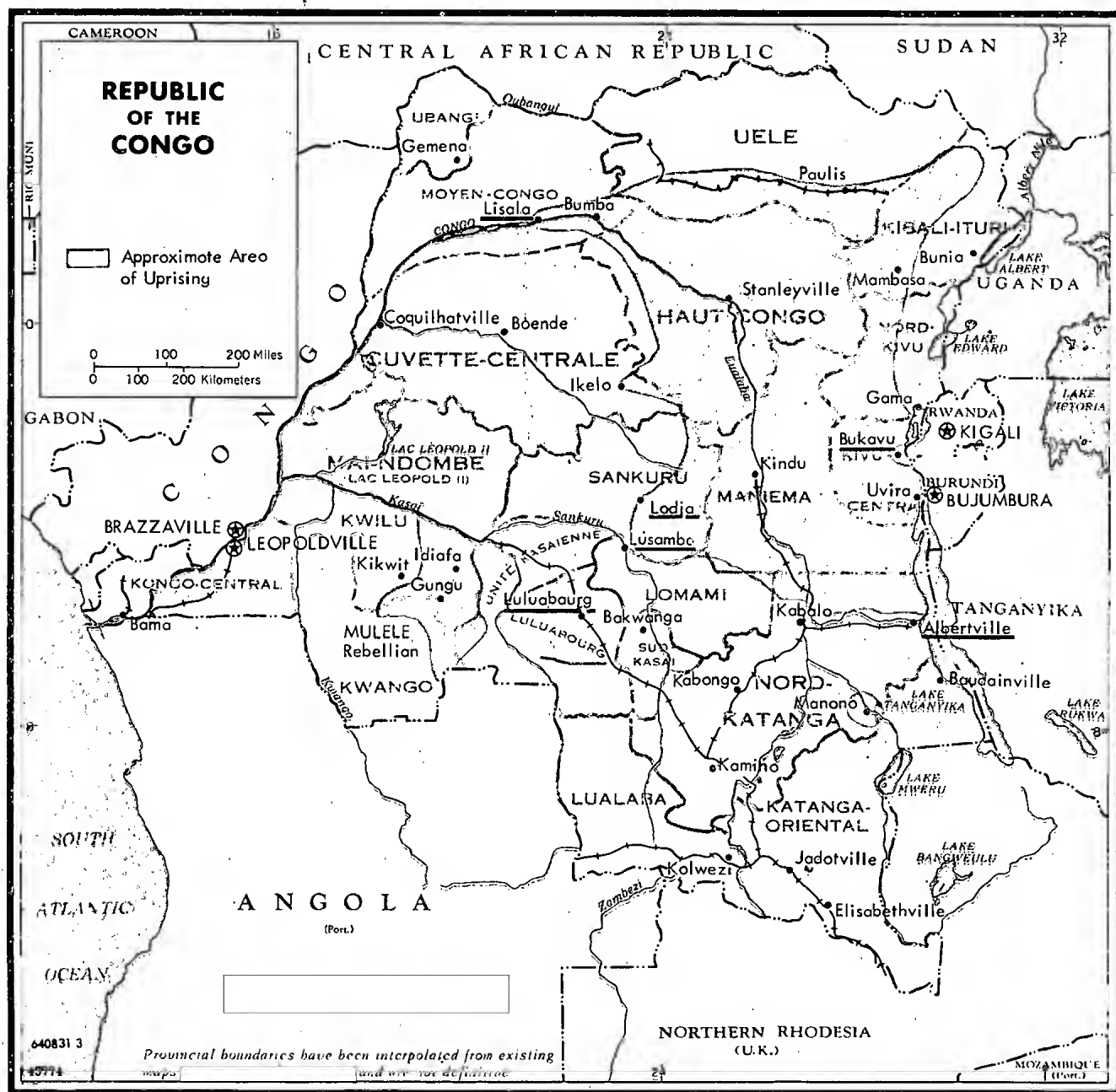
There is some possibility of open violence on the island between General Grivas' followers and the Communists; there have been recent exchanges of denunciation.

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In Turkey, demonstrators apparently intend to continue their protests against US policy, but Inonu has come out against the earlier excesses and the security forces are taking a firmer hand. The Turks have not been chary with dark hints--public and private--about adopting a more independent foreign policy ("a new way") unless Turkish demands regarding a Cyprus plan are met.

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3. Congo: The government's military position is increasingly precarious in the north, but has improved in the south.

In Katanga, Albertville has at last been recaptured--with mopping-up still going on;

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In the north, however, the rebels hold the initiative. They apparently have taken Lisala, on the Congo River below Stanleyville; there is no reliable government force between Lisala and Coquilhatville, 400 miles downriver. Bunia, near Uganda, has been reinforced twice in the last week, but the government position there is reported as "grave."

Rebels in Stanleyville now seem willing to let civil aircraft land there, but the Stanleyville radio still threatens to hold foreign personnel hostage.

Opposition and rebel leaders appear to be gathering in the east. Gaston Soumialot, CNL leader who formerly headed the rebels in Albertville, is in Stanleyville; CNL president Gbenye is in Bujumbura, in Burundi, and may be joined there by Antoine Gizenga, the former Lumumba lieutenant who over the weekend announced the formation of a new "united" Lumumbist political party.

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[redacted] a
rebel delegation was en route to Addis Ababa for the
OAU session on the Congo--this is scheduled for 5
September, but may be delayed to avoid conflict
with the Arab summit. OAU rules would deny rebels
participation, but they may get backing from radi-
cal member states--Ghana's Nkrumah has been maneuver-
ing to this end.

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Tshombé's chances of getting a sympathetic
African hearing are being undermined by the continu-
ing publicity about recruitment of white mercenaries.

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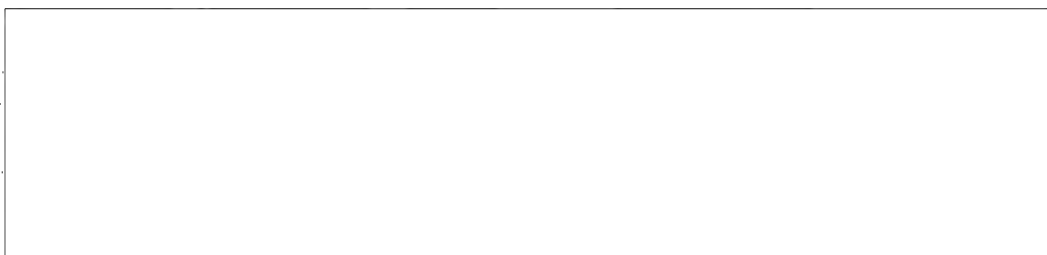
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4. Communist China - North Vietnam: The Chinese
may be planning to strengthen their naval capability
in the Gulf of Tonkin area.

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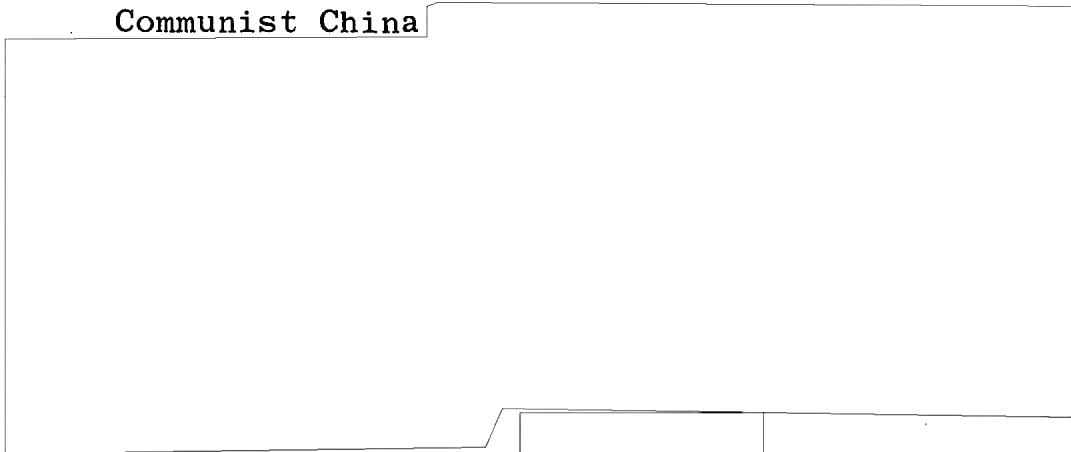
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This weekend, Hanoi, possibly reacting to the recent deployment of a US Marine brigade in the South China Sea off Da Nang in South Vietnam, was apparently bracing against more attacks.

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5. Communist China



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6. Laos: Informal talks in Paris among the key Laotian leaders have made little apparent progress thus far. Formal sessions were due today.

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For The President Only - Top Secret

Premier Souvanna told Pathet Lao chief Souphanouvong that he would not insist on complete Pathet Lao withdrawal from the Plaine des Jarres positions occupied earlier this year. He suggested instead joint control under ICC supervision. A Souphannouvong spokesman has since told the press that this was rejected pending the settlement of "all outstanding problems."

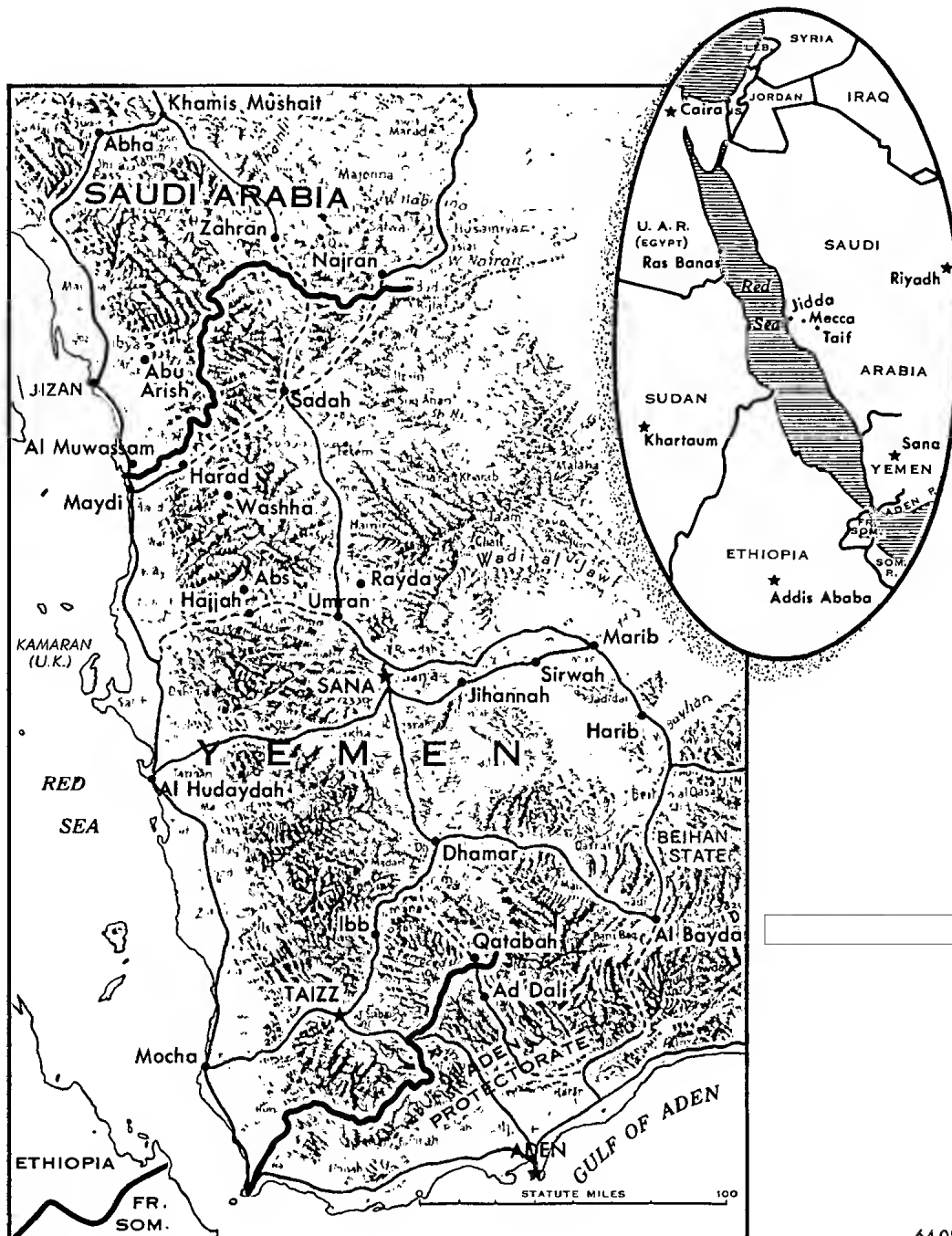
We think the Pathet Lao would buy it only if given substantial concessions in other areas. However, in this event, strong rightists, who oppose any accommodation with the Pathet Lao, might rally support for the overthrow of the coalition government.

In Vientiane, Ambassador Unger has been worried about a lull in government military operations, which he believes only partially attributable to bad weather. He suspects Souvanna may have given orders for a "stand down" during the Paris talks.

7. Indonesia: There have been new demonstrations against US rubber estates on Sumatra and against the US Consulate at Medan. Local officials, however, seem to be adhering to orders from Djakarta to prevent damage to American properties but to "let the people act against the British."

The USIS office in Surabaya, on Java, has heard that it too is to be an early target.

The Japanese ambassador in Djakarta, echoing Tokyo, fully expects Japan to be next if Indonesian Communists are successful in their efforts to worsen US-Indonesian relations.



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8. Yemen - Saudi Arabia: The Yemeni government's control in southern Yemen is threatened by a flare-up of sectional and tribal rivalries triggered by revolts of army elements in two important towns.

Should additional troops be required to keep the lid on, this could affect the current Yemeni-Egyptian offensive in the north aimed at rolling up royalist forces before the 5 September Arab summit meeting; it is already meeting stronger royalist resistance. Troop diversion might also be required to meet royalist attacks in the east and south--the latter apparently mounted from British protected Beihan.

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9. Cuba

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10. Berlin: [redacted]
[redacted]
[redacted] the next US helicopter to fly over East Berlin would be buzzed, forced down, or shot down. We think the latter unlikely, but would not be surprised by an attempt to force one down.
11. Ethiopia: Young officers, disgruntled over conditions in the services and over failure to settle by force the issues with Somalia last February, have been planning a coup [redacted]
[redacted] We think the Emperor has probably heard about this. The last coup attempt, in December 1960, failed.

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12. Tanganyika-Zanzibar: Tanganyikan officials are getting nervous about Zanzibar, over which they have little or no control. Soviet military advisers

[REDACTED]

[REDACTED] Chinese Communist, and possibly a few East German, military advisers are [REDACTED] there.

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13. Haiti: [REDACTED] as a result of recent rebel successes, there has been a considerable increase in antigovernment plotting. Business, government, and military personnel apparently are working together on a coordinated plan to attack the palace and topple the Duvalier regime.

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Duvalier is diverting some troops to defend Port-au-Prince and can be expected to take drastic repressive measures against plotting he gets wind of.

14. Chile: Observers in Santiago still give the edge to Christian Democrat candidate Frei over the Communist-Socialist supported Allende in Friday's presidential elections. Congress names the next president on 24 October. If no candidate gets a majority at the polls, there would be considerable opportunity for Communist-Socialist manipulations.

TOP SECRET

USSR: Keyhole Mission 1009, 6-13 August, disclosed a new ICBM complex in the early stages of construction near Orsk in the Ural mountains.

The complex has a support facility and four single silo launch areas about five miles apart. The launch areas resemble those recently identified under construction at Zhangiz Tobe near Semipalatinsk.

Both complexes, like the other 18 operational ICBM complexes we have identified, are near main rail lines and are rail served.

We have now identified a total of 14 single silos under construction since the program began early this year.

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